Form 3160-3 (February 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR

| FORM | APPR | OVI | ED |
|---------|----------|------|-----|
| OMB N | lo. 1004 | 4-01 | 37 |
| Expires | March | 31. | 200 |

Lease Serial No.

| BUREAU OF LAND MANAGEMENT | | | UTU-66473 | 6473 | | |
|---|---|--|----------------------|--|-------------------|---------------------------------------|
| APPLICATION FOR PERMIT TO DRILL OR REENTER | | | | 6. If Indian, Allotee | or Tribe | Name |
| la. Type of work: DRILL REENT | ER | | | 7. If Unit or CA Agre | ement, N | ame and No. |
| lb. Type of Well: ☐Oil Well ☐Gas Well ☐Other | ✓ si | ingle Zone Multip | ple Zone | 8. Lease Name and V Big Wash 39-1 | | |
| 2. Name of Operator EOG RESOURCES, INC | | | | 9. API Well No. | 113- | 3353L |
| 3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078 | ļ. |). (include area code) 24-5526 | | 10. Field and Pool, or I Green River | Explorator | |
| 4. Location of Well (Report location clearly and in accordance with an At surface 5 7 990 \(\frac{2039}{2039} \) FNL & 1898' FEL (SWNE) | | | N | 11. Sec., T. R. M. or B | lk. and Su | rvey or Area |
| At proposed prod. zone Same 4423532439. | 16005 | 0 -110. Oley 5 | 527 | Sec. 12-T10S-I | R16E, S. | L.B.&M. |
| 14. Distance in miles and direction from nearest town or post office* 26.1 miles from Myton, Utah | | | | 12. County or Parish Duchesne Cour | nty | 13. State UT |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660 Drilling line | 16. No. of a | acres in lease | 17. Spacin 40 acr | cing Unit dedicated to this well | | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth 20. BLM/BIA Bond No. on file 5575 NM2308 | | | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6053' GL | 22 Approximate date work will start* | | i rt* | 23. Estimated duration 45 days | | |
| | 24. Atta | | | • | | , , , , , , , , , , , , , , , , , , , |
| The following, completed in accordance with the requirements of Onshorm. Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). | | 4. Bond to cover the litem 20 above). 5. Operator certification. | he operation | s form: ns unless covered by an ormation and/or plans as | | · |
| 25. Signature Mary a. Mae an | | (Printed/Typed) Mary A. Maestas | | | Date 02/ 0 | 01/2007 |
| Title REGULATORY ASSISTANT | | | | | | |
| Approved by Signature Title | В | (Printed/Typed) | | · n | Date | X-07 |
| Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a | ls legal or equi | erson knowingly and v | ts in the sub | iect lease which would e | | |
| States any false, fictitious or fraudulent statements or representations as | to any matter v | vithin its jurisdiction. | <i>y</i> | , | -5 | |

*(Instructions on page 2)

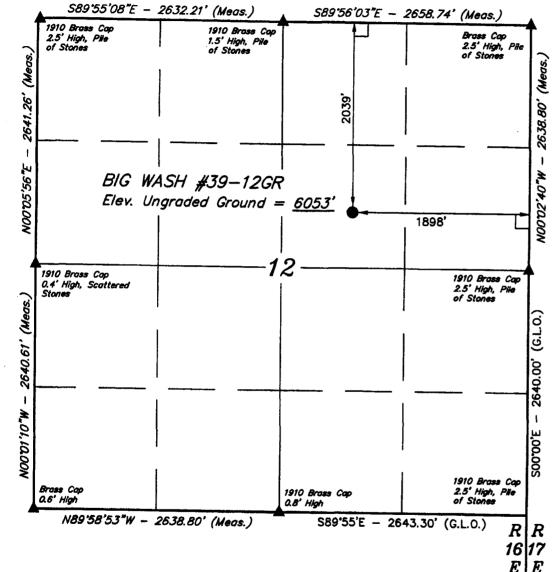
RECEIVED

FEB 0 2 2007

Federal Approval of this Action is Necessary

DIV. OF OIL, GAS & MINING

T10S, R16E, S.L.B.&M.



LEGEND:

_ = 90' SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)

LATITUDE = 39'57'36.08" (39.960022)

LONGITUDE = 110°03'54.42" (110.065117)

(AUTONOMOUS NAD 27)

LATITUDE = 39'57'36.21" (39.960058)

LONGITUDE = 110'03'51.88" (110.064411)

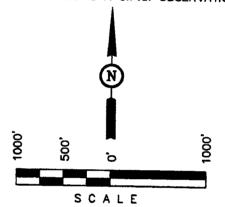
EOG RESOURCES, INC.

Well location, BIG WASH #39-12GR, located as shown in the SW 1/4 NE 1/4 of Section 12, T10S, R16E, S.L.B.&M., Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 3, T11S, R17E, S.L.B.&M. TAKEN FROM THE WILKIN RIDGE QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7047 FEET. BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE THE THE FIELD NOTES OF ACTUAL SURVEYS THE DESCRIPTION AND THAT THE SAME TO THE AND CORBEST OF MY KNOWLEDGE AND BEST OF MY MY KNOWLEDGE AND BEST OF MY MY MY KNOWLEDGE AND BEST OF MY MY MY

REGISTERED LANGUERRE REGISTRATION NO. 161319

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

| SCALE 1" = 1000' | DATE SURVEYED: 10-26-06 | DATE DRAWN: 10-26-06 |
|-------------------------|----------------------------|-------------------------|
| PARTY T.A. E.D. S.L. | REFERENCES G.L.O. PLA | AT . |
| WEATHER COLD | FILE EOG RESOURC | ES INC |

BIG WASH 39-12GR SW/NE, SEC. 12, T10S, R16E, S.L.B.&M. DUCHESNE COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

| FORMATION | TVD-RKB (ft) | Objective | Lithology | |
|------------------------|--------------|-----------|-----------|-----------|
| Uinta FM | 18 | | | |
| Green River FM | 1,111 | | | |
| Mahogany Oil Shale Bed | 2,321 | | | Oil |
| Garden Gulch MBR | 2,361 | Secondary | | Oil / Gas |
| Middle Carb Bed | 3,271 | | | |
| Douglas Creek MBR | 3,996 | Primary | | Oil / Gas |
| Castle Peak MBR | 4,821 | Primary | | Oil / Gas |
| Uteland Butte MBR | 5,271 | Secondary | | Oil / Gas |
| Wasatch | 5,471 | | | |
| TD | 5,575 | | | |

EST. TD: 5,575' or 200' ± below Wasatch Top

Anticipated BHP: 2,755 Psig

- 1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
- 2. Cement isolation is installed to surface of the well isolating all zones by cement.
- **PRESSURE CONTROL EQUIPMENT:** Production Hole 5,000 Psig BOP Schematic Diagram attached.

4. **CASING PROGRAM:**

| <u>Hole</u> Size | <u>Length</u> | <u>Size</u> | WEIGHT | <u>Grade</u> | <u>Thread</u> | Rating Collapse | <u>Factor</u> <u>Burst</u> | <u>Tensile</u> |
|---------------------|--------------------------|--|---|---|---|--|--|---|
| 17 1/2" | 0 – 45' | 13 3/8" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| 12 1/4" | 45' – 500' KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| 7-7/8" | 500'± - TD | 4-1/2" | 11.6# | J-55 | LTC | 4960 PSI | 5350 Psi | 162,000# |
|] | Size 17 ½'' 12 ¼'' | Size 17 ½' 0 - 45' 45' - 500' KB± | Size 17 ½' 0 - 45' 13 ¾'' 45' - 500' KB± 9-5%'' | Size 17 ½' 0 - 45' 13 ¾'' 48.0# 45' - 500' KB± 9-5%'' 36.0# | Size 17 ½' 0 - 45' 13 ¾'' 48.0# H-40 45' - 500' KB± 9-5%'' 36.0# J-55 | Size In the state of the state | Size Collapse 17 ½' 0 - 45' 13 ¾'' 48.0# H-40 STC 770 PSI 45' - 500' 45' - 500' 5TC 2020 PSI 12 ¼'' KB± 9-5%'' 36.0# J-55 STC 2020 PSI | Size Collapse Burst 17 ½' 0 - 45' 13 ¾'' 48.0# H-40 STC 770 PSI 1730 PSI 45' - 500' 45' - 500' 5TC 2020 PSI 3520 Psi 12 ¼'' KB± 9-5%'' 36.0# J-55 STC 2020 PSI 3520 Psi |

All casing will be new or inspected.

BIG WASH 39-12GR SW/NE, SEC. 12, T10S, R16E, S.L.B.&M. DUCHESNE COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure $(0 - 500' \pm Below GL)$:

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

Production Hole Procedure (500' ± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-1/2", 11.6#, J-55 or equivalent marker collars or short casing joints to be placed 400' above top of Garden Gulch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Garden Gulch top. (15± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM:

Surface Hole Procedure $(0 - 500' \pm below GL)$:

Air/air mist or aerated water

Production Hole Procedure (500' \pm - TD):

Anticipated mud weight 9.0 - 9.5 ppg depending on actual wellbore condition encountered while drilling.

A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. **VARIANCE REQUESTS:**

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

BIG WASH 39-12GR SW/NE, SEC. 12, T10S, R16E, S.L.B.&M. DUCHESNE COUNTY, UTAH

8. **EVALUATION PROGRAM:**

Logs:

Mud log from base of surface casing to TD.

Open Hole Logs:

Open Hole Logs will be run consisting of the following:

Schlumberger Platform Express: Open Hole Gamma Ray, Resistively, and

Neutron Porosity

9. <u>CEMENT PROGRAM:</u>

Surface Hole Procedure (0-500' ± Below GL)

Lead:

185 sks Class 'G' cement with 2% S1 (CaCl2) & 0.25 pps

D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft³./sk., 4.95 gps water.

Top Out:

207 sks Top out with Class 'G' cement with 2% S1 (CaCl2) in mix water,

15.8 ppg, 1.16

ft³./sk., 4.95 gps via 1" tubing set at 25' if needed.

Install 6' x 4' cellar ring, drill rat and mouse holes with spud rig.

Note:

Cement volumes will be calculated to bring cement to surface.

Production Hole Procedure (500' ± to TD)

Lead:

105 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65

(Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19

gps water.

Tail:

660 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13

(Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at

14.1 ppg, 1.28 ft³/sk., 5.9gps water.

Note:

The above number of sacks is based on gauge-hole calculation.

Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.

Tail volume to be calculated to bring cement to 400'± above top of Garden Gulch MBR.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

BIG WASH 39-12GR SW/NE, SEC. 12, T10S, R16E, S.L.B.&M. DUCHESNE COUNTY, UTAH

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 500'±):

Lost circulation

Production Hole (500'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Garden Gulch Formation.

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

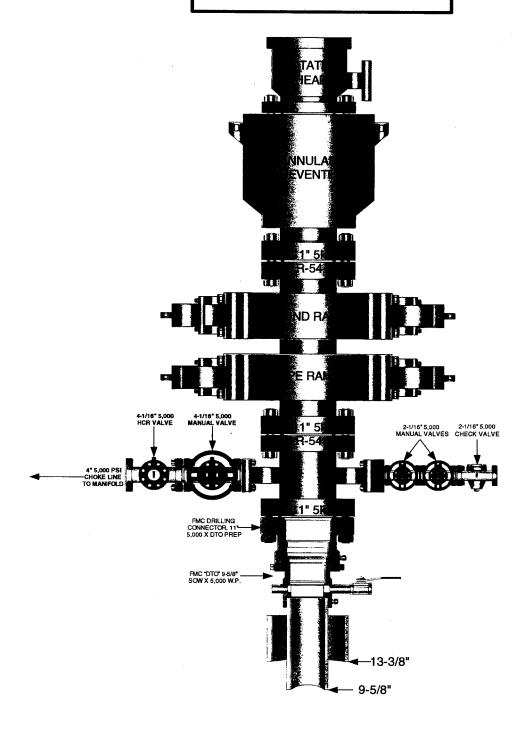
12. <u>HAZARDOUS CHEMICALS:</u>

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

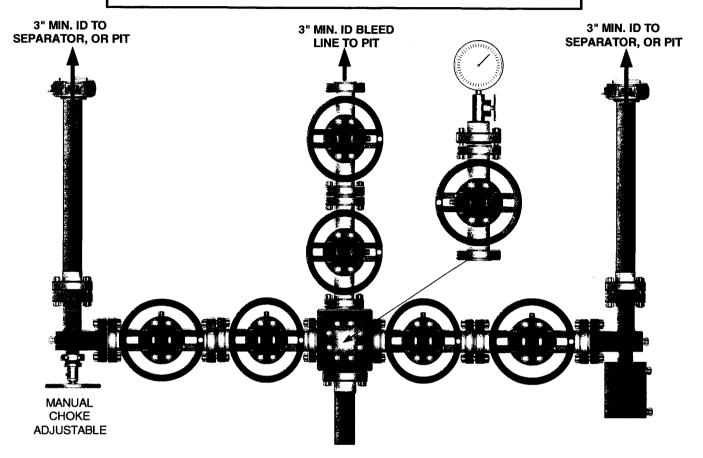
EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION

PAGE 1 OF 2



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5,000 PSI WP VALVES

PAGE 2 0F 2



4" 5,000 PSI CHOKE LINE FROM HCR VALVE

Testing Procedure:

- 1. BOP will be tested with a professional tester to conform to Onshore Order #2.
- 2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
- 3. Annular Preventer will be tested to 50% working pressure, 2,500 psi. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
- 4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
- 5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.



BIG WASH 39-12GR SW/NE, Section 12, T10S, R16E Duchesne County, Utah

SURFACE USE PLAN

NOTIFICATION REQUIREMENTS

Location Construction: Forty-eight (48) hours prior to construction of location and access

roads.

Location Completion: Prior to moving on the drilling rig.

Spud Notice: At least twenty-four (24) hours prior to spudding the well.

Casing String and Twenty-four (24) hours prior to running casing and cementing

Cementing: all casing strings.

BOP and related Twenty-four (24) hours prior to running casing and tests. Equipment Tests:

First Production Notice: Within five (5) business days after new well begins or production

resumes after well has been off production for more than ninety (90)

days.

EOG Resources, Inc., hereby applies under Section 28 of the Act of February 25, 1920 (41 state. 449), (30 U.S.C. Section 185) as amended by the Act of November 16, 1973, (87 Stat. 576) and requests that this APD serve as the construction, operations, and maintenance plan for the right-of-way application for the pipeline on federal lands. A 30-year right-of-way term is requested.

The requested pipeline right-of-way on Federal acreage necessary is approximately 8270' x 40', with 4170' located within Federal Lease UTU 74830 and 4100' located within Federal Lease UTU 64911 containing 7.59 acres more or less (see attached survey plats and maps). The proposed pipeline ties into a proposed pipeline for the Big Wash 62-15GR (a right-of-way application was filed within the APD January 22, 2007) proceeding for approximately 11,400', tieing into an existing pipeline located in the NWNW of Section 14, T10S, R16E. The right-of-way application for the Big Wash 39-12GR will also be utilized for the Big Wash 62-15GR pipeline tie-in point.

The well pad is approximately 275 feet long with a 204-foot width, containing 1.29 acres more or less. The well access road is approximately 270 feet long with a 30-foot right-of-way, disturbing approximately .19 acre. New surface disturbance associated with access road and the well pad is estimated to be approximately 1.48 acres. The pipeline is approximately 12,840 feet long with a 40-foot right-of-way, disturbing approximately 11.79 acres.

1. EXISTING ROADS:

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 26.1 miles south of Myton, Utah See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

- A. The access road will be approximately 270' in length with one (1), 18" culvert.
- B. The access road has a 30-foot ROW w/18 foot running surface.
- C. Maximum grade of the new access road will be 8 percent.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No bridges, or major cuts and fills will be required.

- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined – flagged at time of location staking.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation or debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around then avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

Traveling off the 30 foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

- Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400 BBL vertical tanks and/or one (1) 300 BBL vertical tank and attaching piping.
- 2. Gas gathering lines A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

- 1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
- 2. The length of the new proposed pipeline is 12,840' x 40'. The proposed pipeline leaves the southern edge of the well pad (Lease UTU 66473) proceeding in a northerly, then westerly direction for an approximate distance of 4570' to Section 11, T10S, R16E (Lease UTU 74830) proceeding for an approximate distance of

4170' to Section 14, T 10S, R16E (Lease UTU 64911) proceeding for an approximate distance of 3580' to Section 15, T10S, R16E, (Lease UTU 64911) proceeding for approximately 520' tieing into a proposed pipeline for the Big Wash 62-15GR (a pipeline right-of-was was submitted January 22, 2007 within the APD), proceeding for approximately 11,400' tieing into an existing pipeline in the NWNW of Section 24, T10S, R16E (Lease UTU 79824). Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lok, electric weld with a 35 mil X-Tru coating.

- 3. Proposed pipeline will be a 4" OD steel, welded line laid on the surface
- 4. Protective measures and devices for livestock and wildlife will be taken and /or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **Production facilities and tanks shall be painted olive black.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/ or Target Trucking Inc.'s water source in the SW/SW. Sec 35, T9S, R22E Uintah County, Utah (State Water Right # 49-1501, and/or Myton City water source (Duchesne Valley Treatment Plant) located at 500 West 100 North Myton, Utah (State Water Right # 07002).
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. Source of Construction Materials:

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.

- A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal and/or Roosevelt sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah and/or Duchesne County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Ace Disposal, Brennan Bottoms or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
- All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with double felt, Polyswell, and a 16-millimeter nylon reinforced plastic liner.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the Southwest corner of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil West of the location between Corners #4 and #5. The stockpiled location topsoil will be stored between Corners #8 and #2. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the North.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard

with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall-shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Producing Location

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

| Seed Mixture | Drilled Rate (lbs./acre PLS*) |
|------------------------|-------------------------------|
| Crested Wheatgrass | 6.0 |
| Needle and Threadgrass | 6.0 |

^{*}Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

| Seed Mixture | Drilled Rate (lbs./acre PLS*) |
|------------------------|-------------------------------|
| Fourwing Saltbush | 3.0 |
| Indian Ricegrass | 2.0 |
| Needle and Threadgrass | 2.0 |
| Crested Wheatgrass | 1.0 |
| Scarlet Globe Mallow | 1.0 |

^{*}Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:
 - Whether the materials appear eligible for the National Register of Historic Places;
 - The mitigation measures the operator will likely have to undertake before the site can be used.
 - A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources survey was conducted and submitted on January 9, 2007 and by Montgomery Archaeological Consultants. A paleontology survey was conducted and submitted December 2006 by SWCA Environmental Consultants.

Additional Surface Stipulations:

No construction or drilling activities shall be conducted between March 1st and July 15th due to Ferruginous Hawk stipulations.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

Mary A. Maestas EOG Resources, Inc. P.O. Box 1815 Vernal, Ut 84078 (435) 781-9111

DRILLING OPERATIONS

Donald Presenkowski EOG Resources, Inc. P.O. Box 250 Big Piney, WY 83113 307-276-4865

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Big Wash 39-12GR Well, located in the SWNE, of Section 12, T10S, R16E, Duchesne County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

February 1, 2007

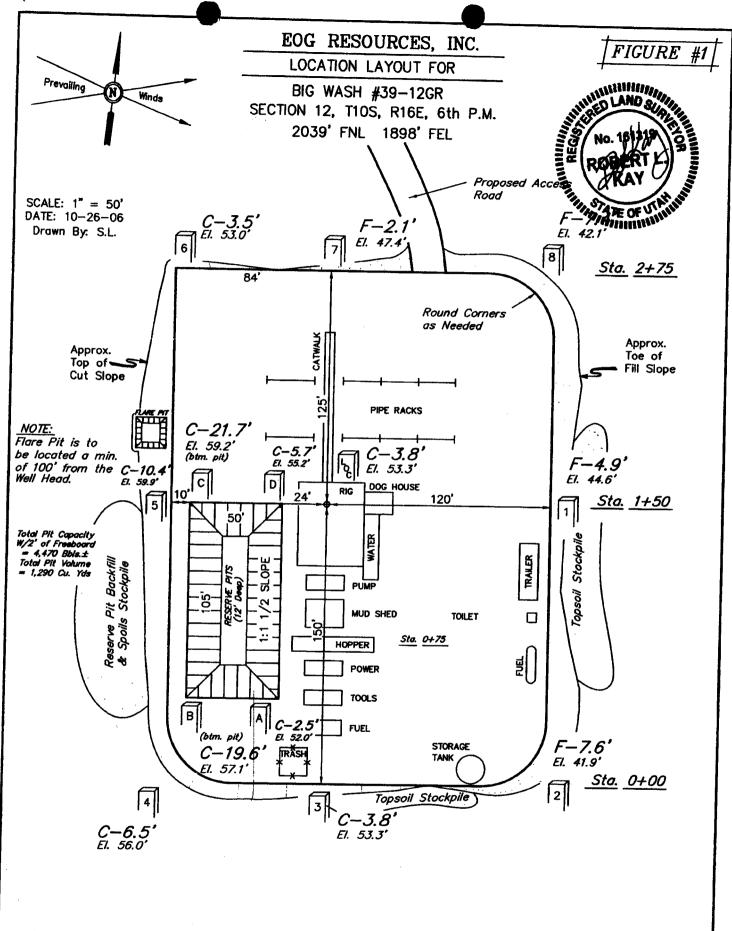
Date

Mary A. Maestas, Regulatory Assistant

Request for Exception to Buried Pipeline Requirement For the Big Wash 39-12GR SW/NE, Sec. 12, T10S, R16E Lease Number UTU 66473

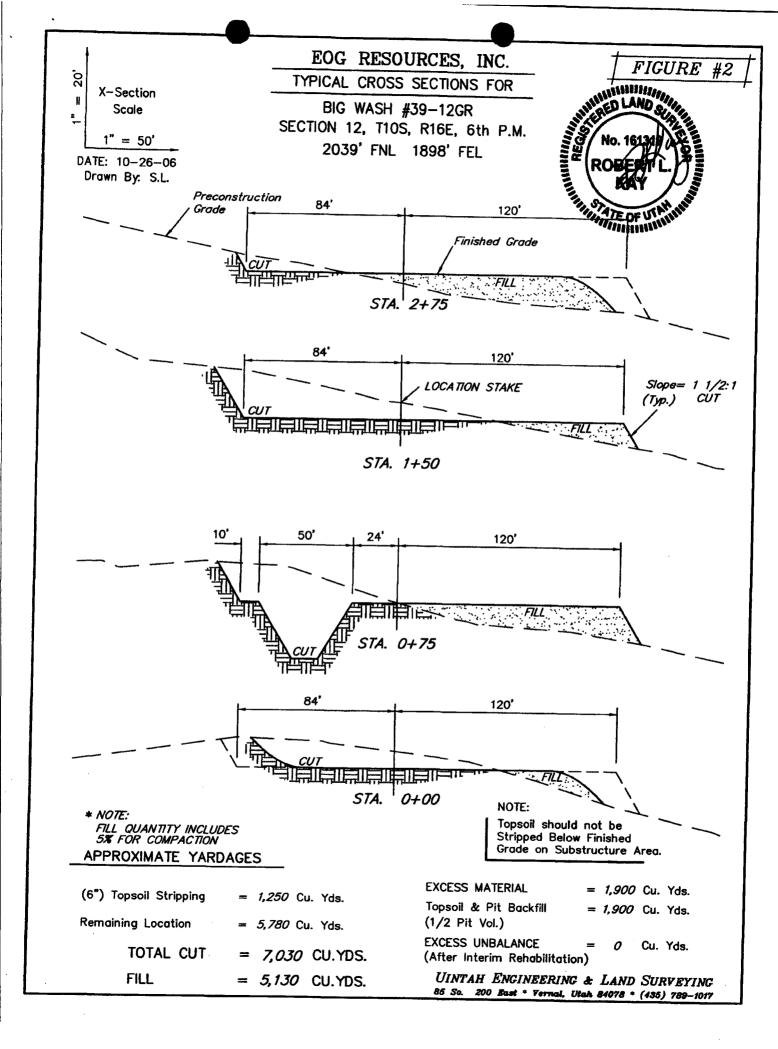
EOG Resources, Inc. requests a variance to the requirement for a buried gas sales pipeline for the referenced well for the following reasons:

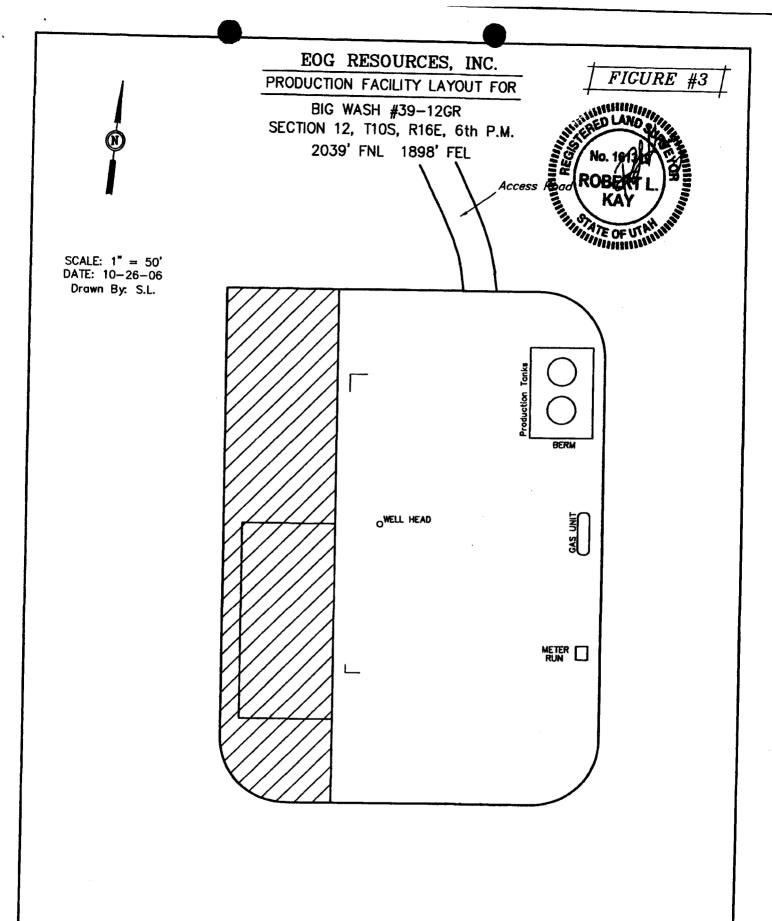
- 1. In order to bury pipe on the gas sales line route, additional surface disturbance relative to surface pipeline would be approximately 11.79 acres.
- 2. Ripping, cutting, or blasting of rock would be required, which in turn would leave long-term spoils on the right-of-way.
- 3. The disturbed soils on the pipeline corridor would be difficult to rehabilitate and would be susceptible to noxious weed infestation, which in turn would be hazardous to livestock.
- 4. Supplemental soil to replace removed rock would need to be hauled in from other locations to provide bedding and cover material.
- 5. The buried pipe would need to be coated and/or wrapped to minimize the potential for corrosion-caused gas leaks and blowouts.
- 6. Burying of pipe next to access roads increases the potential for damage, explosion, and fire when using graders and/or dozers for snow removal or road rehabilitation.
- 7. Surface equipment, including risers with blow down valves and pipeline markers will be required, adding to negative visual impact.
- 8. Disturbance of previously rehabilitated pipeline corridor could be necessary if increasing well density requires crossing of the corridor or location construction on the corridor.
- 9. Pipeline corridors subject to poor rehabilitation characteristics are susceptible to high rates of soil erosion.
- 10. Buried shallow pipelines in low areas subject to the occasional presence of standing water are susceptible to movement and surfacing.



Elev. Ungraded Ground at Location Stake = 6053.3' Elev. Graded Ground at Location Stake = 6049.5'

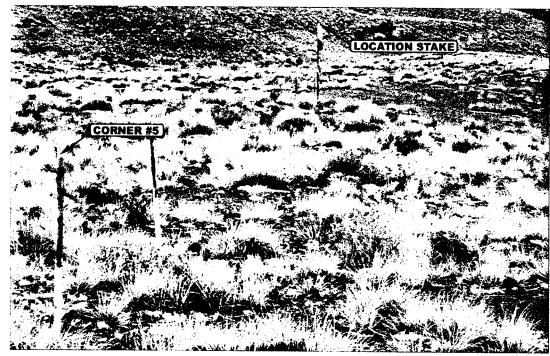
UINTAH ENGINEERING & LAND SURVEYING 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017





EOG RESOURCES, INC.

BIG WASH #39-12GR LOCATED IN DUCHESNE COUNTY, UTAH SECTION 12, T10S, R16E, S.L.B.&M.



ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY

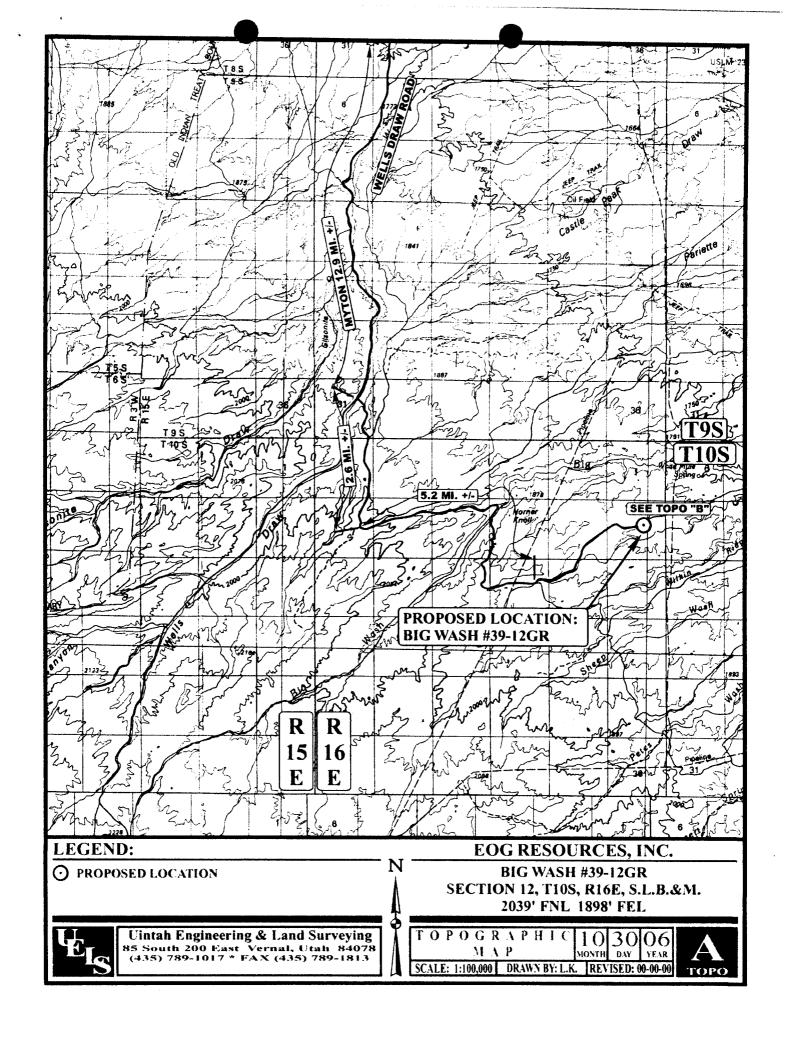


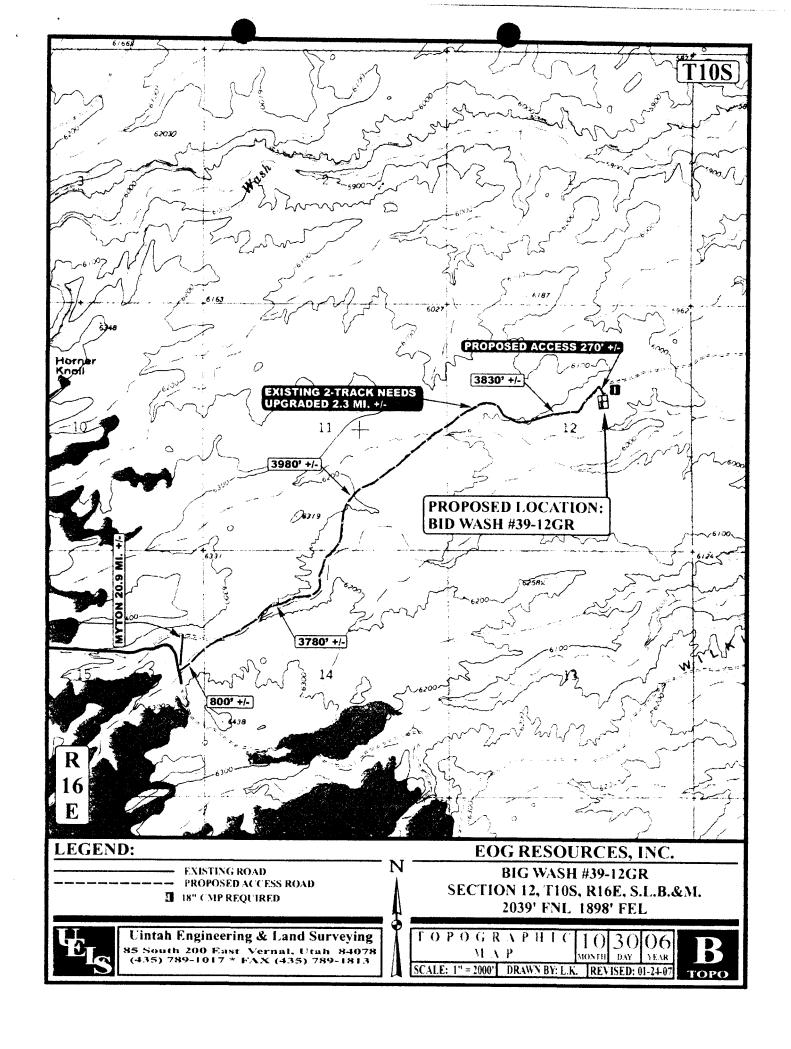
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

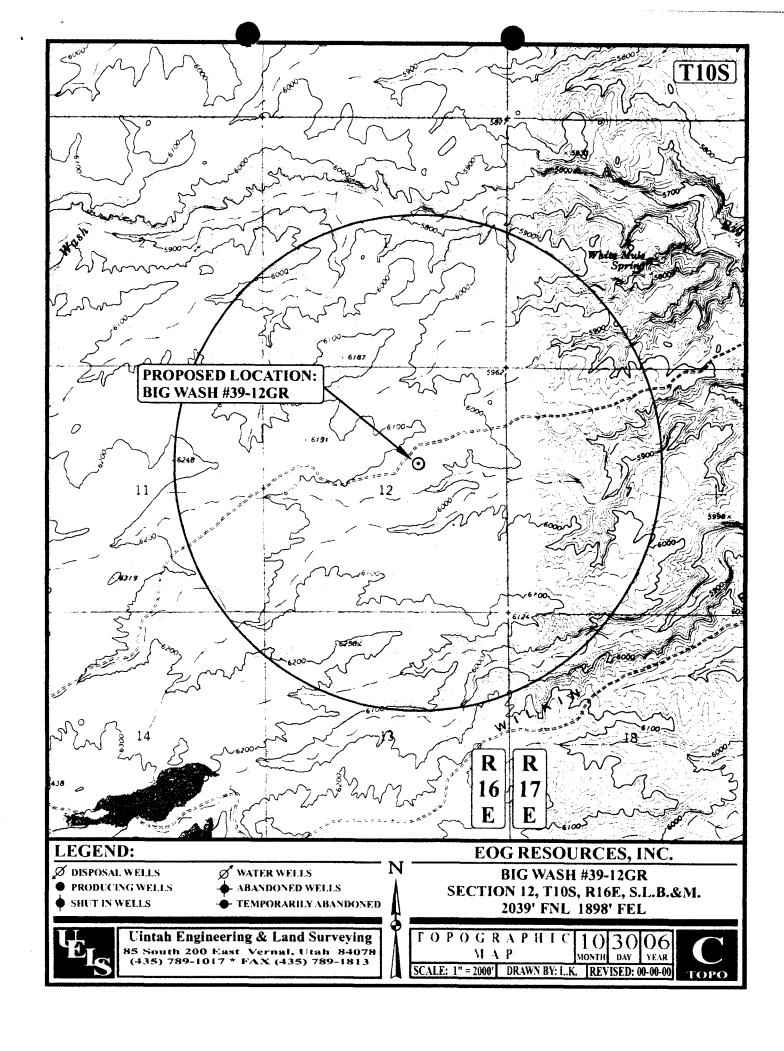
LOCATION PHOTOS

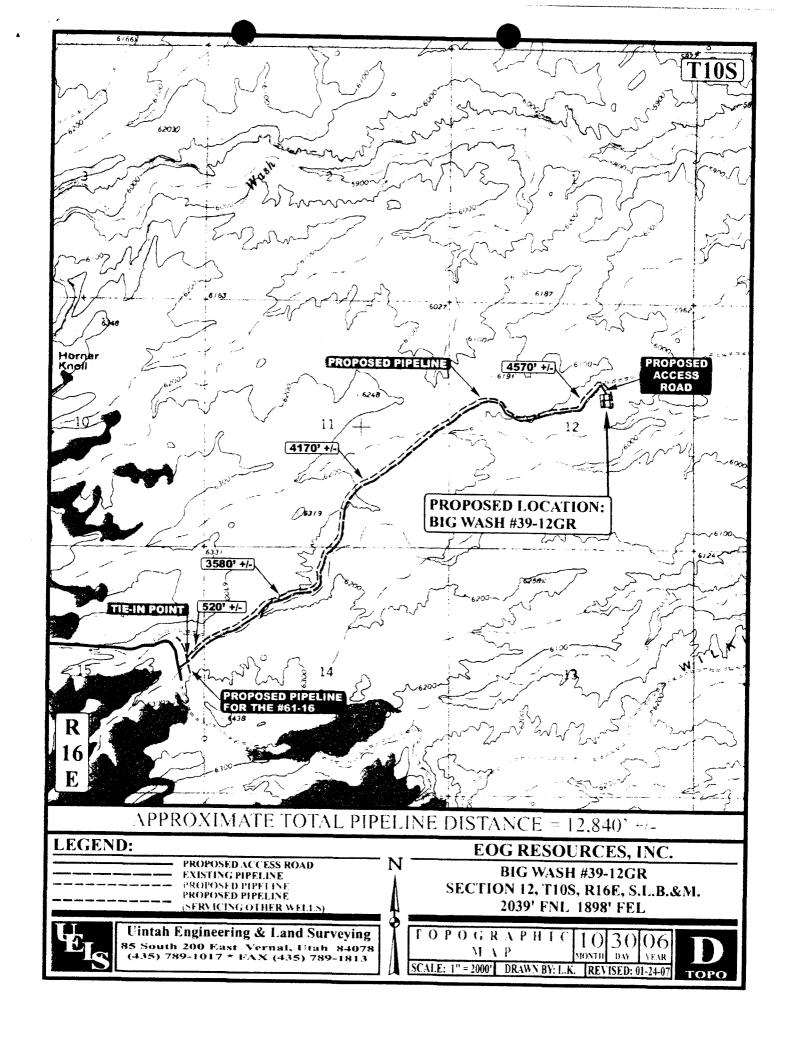
10 30 06 MONTH DAY YEAR TAKEN BY: T.A. | DRAWN BY: L.K. | REVISED: 00-00-00

РНОТО

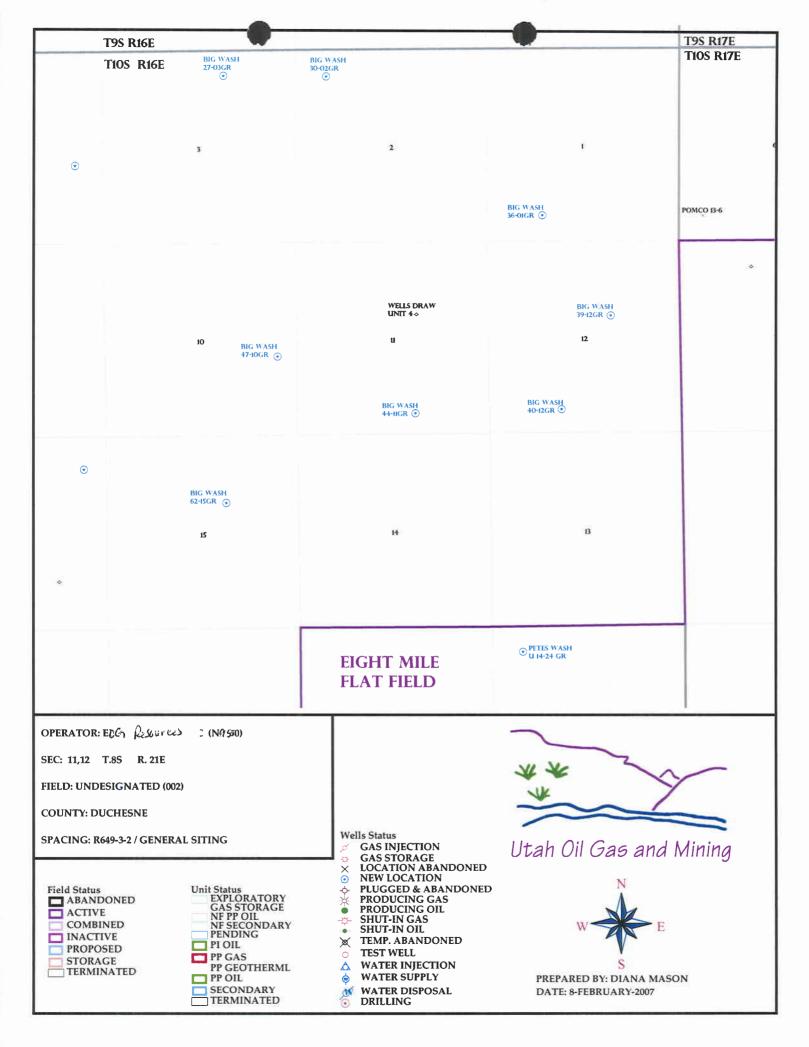








| API NO. ASSIGNED: 43-013-33536 |
|--|
| |
| PHONE NUMBER: 303-824-5526 |
| |
| INSPECT LOCATN BY: / / |
| Tech Review Initials Date |
| Engineering |
| Geology |
| Surface |
|) |
| |
| PROPOSED FORMATION: GRRV |
| COALBED METHANE WELL? NO |
| LOCATION AND SITING: R649-2-3. Unit: R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No: Eff Date: Siting: R649-3-11. Directional Drill |
| |
| |





State of Utah

Department of **Natural Resources**

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

> JOHN R. BAZA Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > February 8, 2007

EOG Resources Inc. 1060 East Highway 40 Vernal, UT 84078

Re:

Big Wash 39-12GR Well, 2039' FNL, 1898' FEL, SW NE, Sec. 12, T. 10 South,

R. 16 East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33536.

Sincerely,

Gil Hunt

Associate Director

Til 7/ 7

pab **Enclosures**

cc:

Duchesne County Assessor

Bureau of Land Management, Vernal District Office

| Operator: | EOG Resources Inc. | | | | |
|--------------------|--------------------|--------------------|-------------------|--|--|
| Well Name & Number | Big Wash 39-12GR | : | | | |
| API Number: | 43-013-33536 | | | | |
| Lease: | UTU-66473 | | | | |
| Location: SW NE | Sec. 12 | T. 10 South | R. 16 East | | |

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



Form 3160 -3 (February 2005) FFB - 4 2007

FORM APPROVED OMB No. 1004-0137 Expires March 31, 200

| February 2005) | | | Expires March 31, | 2007 |
|---|--|---|--|---------------------|
| UNITED STATES DEPARTMENT OF THE IS BUREAU OF LAND MANA | NTERIOR DI MANCONI | A) 117 | Lease Serial No. UTU-66473 | |
| BUREAU OF LAND MANA | AGEMENTOLIVI VICTIV | الارساد | | - Name |
| APPLICATION FOR PERMIT TO D | ORILL OR REENTER | | 6. If Indian, Allotee or Tribe | e Name |
| la. Type of work: | R | · · · · · · · · · · · · · · · · · · · | 7 If Unit or OA Agreement, | Name and No |
| | | | Shup U | Jack Vare |
| lb. Type of Well: Oil Well Gas Well Other | ✓ Single Zone Multip | le Zone | Lease Name and Well No. Big Wash 39-12GR | |
| 2. Name of Operator EOG RESOURCES, INC | | | 9. API Well No. | ピック |
| | 3b. Phone No. (include area code) | | 43-0/3 - 33. | |
| Sa. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078 | 303-824-5526 | | Green River | |
| 4. Location of Well (Report location clearly and in accordance with any | | | 11. Sec., T. R. M. or Blk. and S | Survey or Area |
| At surface 2039' FNL & 1898' FEL (SWNE) 39 At proposed prod. zone Same | 9,960022 LAT 110.065117 LON | • | Sec. 12-T10S-R16E, | S.L.B.&M. |
| 4. Distance in miles and direction from nearest town or post office* 26.1 miles from Myton, Utah | | | 12. County or Parish Duchesne County | 13. State UT |
| 5. Distance from proposed* 660 Lease line | 16. No. of acres in lease | 17. Spacin | g Unit dedicated to this well | <u> </u> |
| location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660 Drilling line | 1980 | 40 ac | res | |
| 8. Distance from proposed location* | 19. Proposed Depth | 19. Proposed Depth 20. BLM/BIA Bond No. on file | | |
| to nearest well, drilling, completed, applied for, on this lease, ft. | 5575 | NM2308 | | |
| I. Elevations (Show whether DF, KDB, RT, GL, etc.) 6053' GL | 22 Approximate date work will sta | start* 23. Estimated duration 45 days | | |
| | 24. Attachments | | | |
| ne following, completed in accordance with the requirements of Onshor | e Oil and Gas Order No.1, must be a | ttached to th | is form: | |
| . Well plat certified by a registered surveyor. A Drilling Plan. | 4. Bond to cover t Item 20 above). | he operatio | ns unless covered by an existing | g bond on file (see |
| 3. A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). | Lands, the 5. Operator certific 6. Such other site BLM. | | ormation and/or plans as may be | e required by the |
| 25. Signature | Name (Printed/Typed) | | Date | |
| Mary U. Mayon | Mary A. Maestas | | 0 | 2/01/2007 |
| REGULATORY ASSISTANT | | | | |
| approved by (Signature) | Name (Printed/Typed) | , ,, | Date | |
| The Tough | JERRY KE | NCKA | 7-1 | 6-2007 |
| Assiztant Field Manager | Office VERNAL F | TELD | OFFICE | |
| Application approval does not warrant by early watche applicant hold | ls legal or equitable title to those righ | nts in the su | bject lease which would entitle th | he applicant to |
| conduct operations thereon. Conditions of approval, if any, are attached. | | | | |
| Fitle 18 U.S.C. Section 1001 and Fitle 43 U.S.C. Section 1212, make it a creates any false, fictitious or fraudulent statements or representations as | rime for any person knowingly and to any matter within its jurisdiction. | willfully to 1 | nake to any department or agen | cy of the United |

*(Instructions on page 2)

RECEIVED

JUL, 3 1 2007

DIV. OF OIL, GAS & MINING

(1006/N)
01PP0963A
NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

VERNAL FIELD OFFICE VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

Kerr-McGee Oil & Gas Onshore, LP

Location:

SWNE, Sec. 12, T10S, R16E

Well No: API No: Big Wash 39-12GR

43-013-33536

Lease No: Agreement:

UTU- 66473 Sheep Wash

| Title | Name | Office Phone Number | Cell Phone Number |
|-----------------------------------|-----------------|---------------------|-------------------|
| Petroleum Engineer: | Matt Baker | (435) 781-4490 | (435) 828-4470 |
| Petroleum Engineer: | Michael Lee | (435) 781-4432 | (435) 828-7875 |
| Petroleum Engineer: | James Ashley | (435) 781-4470 | (435) 828-7874 |
| Petroleum Engineer: | Ryan Angus | (435) 781-4430 | (435) 828-7368 |
| Supervisory Petroleum Technician: | Jamie Sparger | (435) 781-4502 | (435) 828-3913 |
| NRS/Enviro Scientist: | Paul Buhler | (435) 781-4475 | (435) 828-4029 |
| NRS/Enviro Scientist: | Karl Wright | (435) 781-4484 | |
| NRS/Enviro Scientist: | Holly Villa | (435) 781-4404 | |
| NRS/Enviro Scientist: | Melissa Hawk | (435) 781-4476 | (435) 828-7381 |
| NRS/Enviro Scientist: | Chuck MacDonald | (435) 781-4441 | (435) 828-7481 |
| NRS/Enviro Scientist: | Jannice Cutler | (435) 781-3400 | |
| NRS/Enviro Scientist: | Michael Cutler | (435) 781-3401 | |
| NRS/Enviro Scientist: | Anna Figueroa | (435) 781-3407 | |
| NRS/Enviro Scientist: | Verlyn Pindell | (435) 781-3402 | |
| NRS/Enviro Scientist: | Darren Williams | (435) 781-4447 | |
| NRS/Enviro Scientist: | Nathan Packer | (435) 781-3405 | |
| | | Fax: (435) 781-4410 | |

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

- Forty-Eight (48) hours prior to construction of location and access roads.
- Prior to moving on the drilling rig.
- Twenty-Four (24) hours prior to spudding the well.
- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
- Twenty-Four (24) hours prior to initiating pressure tests.
- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

Page 2 of 7 Well: Big Wash 39-12GR 6/14/2007

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

Site Specific Conditions of Approval:

- During operations, if any vertebrate paleontological resources are discovered, all operations
 affecting such sites shall be immediately suspended, and all discoveries shall be left intact until
 authorized to proceed by the Authorized Officer. The appropriate Authorized Officer of the
 Vernal BLM office shall be notified within 48 hrs of the discovery, and a decision as to the
 preferred alternative/course of action will be rendered.
- The lessee/operator is given notice that lands in the lease have been identified as containing Ferruginous Hawk nesting habitat. It is requested that the lessee/operator not initiate surface disturbing activities or drilling from March 1st through July 15th. A survey may be conducted by a qualified biologist or a BLM representative during this timing period to determine if hawks are in the area.
- As discussed on the onsite conducted on December 12, 2006 the pit will be double felted and polyswell applied.
- As discussed on the onsite conducted on December 12, 2006 if the well becomes an oil well then a muffler will be added to the pump-jack.
- 4 to 6 inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.
- The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil
 respread where appropriate, and the entire location seeded with the recommended seed mix.
 Seeding should take place by broadcasting the seed and walking it into the soil with a dozer
 immediately after the dirt work is completed.
- The best method to avoid entrainment is to pump from an off-channel location-one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
 - a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes:
 - b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (see above); and
 - c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with ¼" mesh material.

Page 3 of 7 Well: Big Wash 39-12GR 6/14/2007

• Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

Northeastern Region 152 East 100 North, Vernal, UT 84078 Phone: (435) 781-9453

Surface COAs:

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

Page 4 of 7 Well: Big Wash 39-12GR 6/14/2007

DOWNHOLE COAs:

SITE SPECIFIC DOWNHOLE COAs:

Production casing cement shall be brought up and into the surface casing. For the production
casing cementing program, operator is required to pump additional cement beyond the stated
amounts in application. The minimum cement top is 200 ft above the surface casing shoe.

- COA specification is consistent with operators performance standard stated in APD.
- A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the
 daily drilling report. Components shall be operated and tested as required by Onshore Oil &
 Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be
 performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be
 reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person

Page 5 of 7 Well: Big Wash 39-12GR 6/14/2007

making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a
 weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is
 completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

Page 6 of 7 Well: Big Wash 39-12GR 6/14/2007

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written
 communication and must be received in this office by not later than the fifth business day
 following the date on which the well is placed on production. The notification shall provide, as a
 minimum, the following informational items:
 - o Operator name, address, and telephone number.
 - Well name and number.
 - o Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will
 be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be
 reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major
 Events" will be reported in writing within 15 days. "Minor Events" will be reported on the
 Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

Page 7 of 7 Well: Big Wash 39-12GR 6/14/2007

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field
 Office Petroleum Engineers will be provided with a date and time for the initial meter calibration
 and all future meter proving schedules. A copy of the meter calibration reports shall be
 submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API
 standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All
 measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted
 to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs
 first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be
 adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively
 sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior
 approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30
 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given
 before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office
 Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in
 order that a representative may witness plugging operations. If a well is suspended or
 abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent
 Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual
 plugging of the well bore, showing location of plugs, amount of cement in each, and amount of
 casing left in hole, and the current status of the surface restoration.

| STATE OF UTAH | FORM 9 |
|--|---|
| DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66473 |
| SUNDRY NOTICES AND REPORTS ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL OIL WELL GAS WELL OTHER | 8. WELL NAME and NUMBER: |
| 2. NAME OF OPERATOR: | Big Wash 39-12GR 9. API NUMBER: |
| EOG Resources, Inc. | 43-013-33536 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078 PHONE NUMBER: (435) 781-9111 | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES |
| 4. LOCATION OF WELL | |
| FOOTAGES AT SURFACE: 2039 F L & 1898 FEL | соинту: Duchesne |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 12 10S 16E S.L.B. & M. | STATE: UTAH |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO | ORT, OR OTHER DATA |
| TYPE OF SUBMISSION TYPE OF ACTION | |
| NOTICE OF INTENT | REPERFORATE CURRENT FORMATION |
| (Submit in Duplicate) | SIDETRACK TO REPAIR WELL |
| | TEMPORARILY ABANDON |
| CHANGE TO PREVIOUS PLANS OPERATOR CHANGE CHANGE TUBING PLUG AND ABANDON | TUBING REPAIR |
| SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK | VENT OR FLARE WATER DISPOSAL |
| (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME) | WATER SHUT-OFF |
| Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE | TOTHER: APD EXTENSION |
| CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION | REQUEST |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume | nes etc |
| EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for | |
| 200 Hosewhood, inc. respectivity requests the 7th b for the referenced well be extended for | one year. |
| | • • |
| | |
| Approved by the | |
| Útah División of | |
| Oil, Gas and Mining | |
| | |
| Date: 02-17-9%n | |
| Dano. Bear Mill | |
| By: The det till | |
| | |
| | |
| | |
| NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Lead Regulatory | Assistant |
| NAME (PLEASE PRINT) Raylette 11. Galdrie) TITLE Lead negulatory | / Noticiant |
| SIGNATURE TO DATE 2/6/2008 | |
| | |
| nis space for State uselonly) | |

COPY SENT TO OPERATOR

(This space for State use only)

(5/2000)

Initials:

(See Instructions on Reverse Side)

RECEIVED FEB 1 1 2008

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

| Well Name: Location: Company Peri | | FEL (SWNE), SECTION 12, T EOG RESOURCES, INC. | '10S, R16E S.L.B.&M |
|---|-------------------------------------|---|-------------------------------------|
| above, hereby | verifies that the | n legal rights to drill on the information as submitted mains valid and does no | |
| Following is a coverified. | checklist of some | e items related to the ap | plication, which should be |
| • | ivate land, has t n updated? Yes | he ownership changed, □No□ | if so, has the surface |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☑ | | | |
| | • | er agreements put in pla proposed well? Yes⊟No | |
| | • • | to the access route incluoroposed location? Yes[| ıding ownership, or right- ⊒No ☑ |
| Has the approv | ed source of wa | ater for drilling changed? | Yes□No☑ |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑ | | | |
| Is bonding still in place, which covers this proposed well? Yes☑No□ | | | |
| Signature Signature | holen. | | <u>2/6/2008</u> Date |
| Title: <u>Lead Regu</u> | ılatory Assistant | | |
| Representing: - | EOG Resources, In | 10. | |
| | | | |

RECEIVED FEB 1 1 2008

| | STATE OF UTAH | 17.050 | | FORM 9 | |
|---|---|---|--|---|--|
| | DEPARTMENT OF NATURAL RESOLUTION OF OIL, GAS AND M | | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-66473 | |
| SUNDR | Y NOTICES AND REPORT | S ON WEL | LS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| Do not use this form for proposals to drill original I | new wells, significantly deepen existing wells below cr aterals. Use APPLICATION FOR PERMIT TO DRILL | urrent bottom-hole dept _ form for such proposal | h, reenter plugged wells, or to is. | 7. UNIT or CA AGREEMENT NAME: | |
| 1. TYPE OF WELL OIL WELL | GAS WELL 🗸 OTHER | | | 8. WELL NAME and NUMBER: Big Wash 39-12GR | |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | | | 9. API NUMBER: 43-013-33536 | |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 | Vernal Carlos UT 2 | 84078 | PHONE NUMBER: (435) 781-9145 | 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES | |
| 4. LOCATION OF WELL | 5,332 OT 2 | ₍ ; 04070 | (400) 701-9140 | TWO TO THE BOTTES | |
| FOOTAGES AT SURFACE: 2039' | FNL & 1898' FEL 39.960022 LA | T-110.065117 | LON | COUNTY: Duchesne | |
| QTR/QTR, SECTION, TOWNSHIP, RAN | NGE, MERIDIAN: SWNE 12 10S | 16E S.L.B. 8 | & М. | STATE: UTAH | |
| 11. CHECK APP | ROPRIATE BOXES TO INDICA | TE NATURE (| OF NOTICE, REPO | RT, OR OTHER DATA | |
| TYPE OF SUBMISSION | | TY | PE OF ACTION | | |
| NOTICE OF INTENT | ACIDIZE | DEEPEN | | REPERFORATE CURRENT FORMATION | |
| (Submit in Duplicate) | ALTER CASING | FRACTURE | TREAT | SIDETRACK TO REPAIR WELL | |
| Approximate date work will start: | CASING REPAIR | NEW CONST | TRUCTION | TEMPORARILY ABANDON | |
| | CHANGE TO PREVIOUS PLANS | OPERATOR | CHANGE | TUBING REPAIR | |
| | CHANGE TUBING | PLUG AND A | BANDON | VENT OR FLARE | |
| SUBSEQUENT REPORT (Submit Original Form Only) | CHANGE WELL NAME | PLUG BACK | | WATER DISPOSAL | |
| Date of work completion: | CHANGE WELL STATUS | PRODUCTIO | N (START/RESUME) | WATER SHUT-OFF | |
| - 4.0. | COMMINGLE PRODUCING FORMATIONS | RECLAMATI | ON OF WELL SITE | ✓ OTHER: APD EXTENSION | |
| | CONVERT WELL TYPE | RECOMPLET | TE - DIFFERENT FORMATION | REQUEST | |
| DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year. Approved by the Utah Division of Oil, Gas and Mining Date: By: | | | | | |
| NAME (PLEASE PRINT) Mickenzie | Thacker in Trauly: | TITLE | 2/6/2008 | | |
| his space for State use only) | | | - | RECEIVED | |

COPY SENT TO OPERATOR

(5/2000)

Date: 2.5.2009

Initials: K5

(See Instructions on Reverse Side)

FEB 0 2 2009

DIV. OF OIL, GAS & MINING

Application for Permit to Drill Request for Permit Extension Validation (this form should accompany the Sundry Notice requesting permit extension)

API:

43-013-33536

| Well Name: Big Wash 39-12GR Location: 2039 FNL & 1898 FEL (SWNE), SECTION 12, T10S, R16E S.L.B.&M Company Permit Issued to: EOG Resources, Inc. Date Original Permit Issued: 2/8/2007 | | | | |
|---|--|--|--|--|
| The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. | | | | |
| Following is a checklist of some items related to the application, which should be verified. | | | | |
| f located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes⊡No⊡ | | | | |
| Have any wells been drilled in the vicinity of the proposed well which would affect he spacing or siting requirements for this location? Yes ☐ No ☑ | | | | |
| Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑ | | | | |
| Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No☑ | | | | |
| Has the approved source of water for drilling changed? Yes□No☑ | | | | |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑ | | | | |
| s bonding still in place, which covers this proposed well? Yes☑No□ | | | | |
| Midumi Thady) Signature 1/29/2009 Date | | | | |
| Title: Operations Clerk | | | | |
| Representing: EOG Resources, Inc. | | | | |
| RECEIVED | | | | |
| FEB 0 2 2009 | | | | |

| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | FORM 9 | | |
|--|--|---|---|--|
| | | 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-66473 | | |
| SUNDRY NOTICES AND REPORTS ON WELLS | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | |
| | sals to drill new wells, significantly deeper igged wells, or to drill horizontal laterals. | | 7.UNIT or CA AGREEMENT NAME: | |
| 1. TYPE OF WELL Gas Well | | | 8. WELL NAME and NUMBER: BIG WASH 39-12GR | |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | | 9. API NUMBER: 43013335360000 | |
| 3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000 N | I , Denver, CO, 80202 43 | PHONE NUMBER: 35 781-9111 Ext | 9. FIELD and POOL or WILDCAT: UNDESIGNATED | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2039 FNL 1898 FEL | | | COUNTY: DUCHESNE | |
| QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SWNE Section: 12 | P, RANGE, MERIDIAN: Township: 10.0S Range: 16.0E Meridian: | S | STATE: UTAH | |
| 11. | CK APPROPRIATE BOXES TO INDICA | TE NATURE OF NOTICE, REPORT, | OR OTHER DATA | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | |
| ✓ NOTICE OF INTENT | ☐ ACIDIZE | ALTER CASING | ☐ CASING REPAIR | |
| Approximate date work will start: 1/25/2010 | CHANGE TO PREVIOUS PLANS | CHANGE TUBING | CHANGE WELL NAME | |
| | ☐ CHANGE WELL STATUS | ☐ COMMINGLE PRODUCING FORMATIONS ☐ FRACTURE TREAT | ☐ CONVERT WELL TYPE ☐ NEW CONSTRUCTION | |
| SUBSEQUENT REPORT Date of Work Completion: | DEEPEN OPERATOR CHANGE | PLUG AND ABANDON | PLUG BACK | |
| | PRODUCTION START OR RESUME | RECLAMATION OF WELL SITE | RECOMPLETE DIFFERENT FORMATION | |
| SPUD REPORT Date of Spud: | REPERFORATE CURRENT FORMATION | SIDETRACK TO REPAIR WELL | TEMPORARY ABANDON | |
| | TUBING REPAIR | ☐ VENT OR FLARE | WATER DISPOSAL | |
| ☐ DRILLING REPORT | ☐ WATER SHUTOFF | ☐ SI TA STATUS EXTENSION | ✓ APD EXTENSION | |
| Report Date: | ☐ WILDCAT WELL DETERMINATION | OTHER | OTHER: | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year. Approved by the Utah Division of Oil, Gas and Mining Date: January 25, 2010 By: | | | | |
| NAME (PLEASE PRINT) Mary Maestas | PHONE NUMBER 303 824-5526 | R TITLE Regulatory Assistant | | |
| SIGNATURE N/A | | DATE 1/25/2010 | | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013335360000

API: 43013335360000 Well Name: BIG WASH 39-12GR

Location: 2039 FNL 1898 FEL QTR SWNE SEC 12 TWNP 100S RNG 160E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 2/8/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that req

| | sion as submitted in the previous. Following is a checklist | | | | on, which should be verified. |
|----------|--|---------|-------------------------|------------|---|
| | ited on private land, has the ed? 问 Yes 📵 No | owne | rship changed, if so, h | as the sur | face agreement been |
| | any wells been drilled in the requirements for this location | | | l which we | ould affect the spacing or |
| | ere been any unit or other a proposed well? 📵 Yes 🍺 | | | could affe | ect the permitting or operation |
| | there been any changes to the the proposed location? | | | nership, o | r rightof- way, which could |
| • Has th | e approved source of water | for dri | illing changed? 📵 Y | es 📵 No | • |
| | there been any physical cha e in plans from what was di | | | | |
| • Is bor | nding still in place, which cov | vers th | nis proposed well? 🌘 | Yes 🗍 | Approved by the No Utah Division of Oil, Gas and Mining |
| nature: | Mary Maestas | Date: | 1/25/2010 | | |
| Title: | Regulatory Assistant Represe | nting: | EOG RESOURCES, INC. | Da | ate: January 25, 2010 |
| | | | | _ | R nacit W |

Sig



Lieutenant Governor



MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 16, 2011

Kaylene Gardner EOG Resources Inc. 1060 East Highway 40 Vernal, Utah 84078

Re:

APD Rescinded - Big Wash 39-12GR, Sec. 12, T. 10S, R. 16E

Duchesne County, Utah API No. 43-013-33536

Dear Ms. Gardner:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 8, 2007. On February 12, 2008, February 5, 2009 and January 25, 2010 the Division granted a one-year APD extension. On March 16, 2011, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 16, 2011.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

16 Mason

cc: Well File

Bureau of Land Management, Vernal

